

ASSEMBLY BILL

No. 1692

Introduced by Assembly Member Jerome Horton

February 22, 2005

An act to add Section 6458 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1692, as introduced, Jerome Horton. Sales and use tax: collection: retailer remittance fee.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. Existing law requires a retailer to collect sales tax reimbursement from a consumer in connection with a retail sale and to remit the sales tax reimbursement to the State Board of Equalization.

This bill would require the board to allow a retailer, if specified laws are complied with, a sales and use tax remittance fee, in an amount equal to 2% of the taxes remitted, as reimbursement for the retailer's costs incurred in compliance with the laws that apply to the collection, remittance and reporting of those taxes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 6458 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 6458. (a) For those reporting periods beginning on and after
- 4 January 1, 2006, there shall be allowed a sales and use tax

1 remittance fee, in the amount authorized by subdivision (b), to be
2 offset against a retailer's tax liability as reimbursement for the
3 retailer's expenses incurred in the collection, remittance, and
4 reporting of the taxes imposed by this part.

5 (b) The sales and use tax remittance fee shall be an amount
6 equal to 2 percent of the taxes collected and remitted by the
7 retailer pursuant to Sections 6051, 6051.3, 6051.5, 6201, 6201.3,
8 and 62001.5.

9 (c) Except as provided in subdivision (d), the sales and use tax
10 remittance fee shall only be allowed to a retailer that timely files
11 a return, together with a remittance of the total amount due, in
12 accordance with Section 6451, 6452, 6453, 6454, and 6455, or
13 Article 1.2 (commencing with Section 6479.3), as applicable.

14 (d) Notwithstanding subdivision (c), if a retailer fails to timely
15 file a return or remit a payment, and the board makes a finding,
16 in accordance with Section 6592, that the retailer's failure to
17 make a timely return or payment is due to reasonable cause and
18 circumstances beyond the retailer's control, and occurred
19 notwithstanding the exercise of ordinary care and the absence of
20 willful neglect, the sales and use tax remittance fee authorized by
21 this section shall be allowed.
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